

ASSOCIATION OF GOVERNMENTS

Main Office

818 West Seventh Street
12th Floor
Los Angeles, California
90017-3435

t (213) 236-1800

f (213) 236-1825

www.scag.ca.gov

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Ventura County: Linda Parks, Ventura County • Glen Becerra, Simi Valley • Carl Morehouse, San Buenaventura • Toni Young, Port Hueneme

Orange County Transportation Authority: Art Brown, Buena Park

Riverside County Transportation Commission: Robin Lowe, Hemet

Ventura County Transportation Commission: Keith Millhouse, Moorpark

RESOLUTION #07-489-01 OF THE REGIONAL COUNCIL OF THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS ADOPTING THE FINAL HOUSING NEED ALLOCATION PLAN RELATED TO THE 4TH CYCLE OF THE REGIONAL HOUSING NEEDS ASSESSMENT

WHEREAS, the Southern California Association of Governments (SCAG) is a council of governments representing the counties of Los Angeles, Orange, San Bernardino, Riverside, Ventura, and Imperial within the Southern California region;

WHEREAS, as the region's council of governments, SCAG is responsible for allocating the state-determined regional housing need to all local jurisdictions within the SCAG region in accordance with state housing law, a process known as the development of the Regional Housing Needs Assessment ("RHNA" herein);

WHEREAS, SCAG staff commenced work on the RHNA on or about August 2006, following the provisions of SCAG's RHNA Pilot Program, which are outlined in Senate Bill 12 (Lowenthal) ("SB 12 herein"). As part of its efforts, during the period from September 2006 to January 2007, SCAG staff completed, among other things, two (2) public hearings, fifteen (15) subregional workshops and numerous public meetings with various policy committees, local governments and subregional entities for the purpose of informing and involving local governments and members of the public in the RHNA process. The collective input received at the local and subregional level was instrumental in the development of the Draft Regional Housing Need Allocation Plan, or Draft RHNA;

WHEREAS, in accordance with SB 12, SCAG also offered delegation to any subregional entity seeking to undertake allocation of the respective subregion's existing and projected housing need. Three subregional entities accepted and undertook delegation by way of entering into written agreements with SCAG. These subregional entities were the Ventura County Council of Government, the South Bay Cities Council of Governments, and the City of Los Angeles partnering with the City of San Fernando;

WHEREAS, on or about November 30, 2006, the State Department of Housing and Community Development (HCD) provided SCAG with its regional housing need determination (i.e., SCAG's regional share of the statewide housing need). Specifically, HCD provided SCAG with a Regional Housing Need Determination of 687,000 to 733,000 units, for the period from January 1, 2006 through June 30, 2014. SCAG is required to adopt a final RHNA by June 30, 2007 that allocates among all counties and cities within the region a total regional housing need at or above the minimum end of the range and which is proportional to applicable income category percentages;

WHEREAS, on February 1, 2007, SCAG's Regional Council reviewed and adopted by way of a public meeting the following items related to RHNA: (1) RHNA Appeals Procedure, (2) Existing Housing Needs Statement, (3) the Final RHNA Allocation Methodology, and (4) the Draft Housing Need Allocation Plan (or Draft RHNA). The Draft RHNA set forth a total future construction need of 707,219 units and identified existing and future housing

needs in all 187 cities and six counties in the SCAG region for the applicable planning period. The Regional Council also directed staff to commence the revision request and appeals process;

WHEREAS, forty-eight local jurisdictions filed revision requests and/or appeals by the filing deadline of March 16, 2007;

WHEREAS, in accordance with SB 12, on or about March 30, 2007, SCAG submitted a progress report to the State Legislature regarding the status of the RHNA process. A copy of this progress report is attached herein as Exhibit "A" and incorporated by this reference;

WHEREAS, SB 12 was signed by the Governor and made law on April 10, 2007. A copy of the final version of SB 12 is attached herein as Exhibit "B" and incorporated by this reference; and

WHEREAS, the RHNA Appeals Board was designated by the Regional Council as the body charged with considering and making final determinations regarding all revision requests and appeals filed. The RHNA Appeals Board, who members represented each of the respective six (6) counties within the SCAG region, conducted public meetings/hearings regarding the revision requests and appeals from April 25 to April 30, 2007.

WHEREAS, the RHNA Appeals Board approved 7,851 units in revision requests which adjusted the Draft RHNA to 699,368 units. The RHNA Appeals Board also approved 4,736 appealed units for the SCAG non-delegated areas. These units were reallocated proportionally based upon future construction need in accordance with the provisions of SB 12, existing state law, and the approved RHNA Appeals Procedure. The RHNA Appeals Board reviewed and approved final written decisions on all of the revision requests and appeals filed on May 14, 2007, and directed staff to prepare the proposed Final Housing Need Allocation Plan, or proposed Final RHNA.

WHEREAS, the proposed Final RHNA establishes the total regional housing need allocation of 699,368 units and incorporates the required reallocation and input from the three delegated subregions. The proposed Final RHNA maintains, by income group, the range established by HCD as SCAG's Regional Housing Need Determination. The proposed Final RHNA does not include any alternative distributions by local jurisdictions pursuant to Government Code Section 65584.05(g), nor has any been proposed.

WHEREAS, the proposed Final RHNA was presented to SCAG's Community, Economic and Human Development (CEHD) Committee on June 7, 2007, who took action to recommend approval of the proposed Final RHNA by the Regional Council.

WHEREAS, in accordance with SB 12, adoption of the Final RHNA must be made by the Regional Council by way of a public hearing. Notice of a public hearing regarding the Regional Council's consideration of the adoption of the Final RHNA was properly posted on or about June 8, 2007. The Regional Council conducted the required public hearing on July 12, 2007.

NOW, THEREFORE, BE IT RESOLVED by the Regional Council of the Southern California Association of Governments as follows:

1. The Regional Council finds and determines that the above recitals are true and correct, and together with the SCAG's written staff report ("Staff Report"), staff's related oral presentation and public testimony received as part of the public hearing on July 12, 2007, have served as the basis, in part, for the actions of the Regional Council set forth in this Resolution.

2. The Regional Council hereby adopts the proposed Final Regional Housing Need Allocation Plan, or Final RHNA, in substantially the same form as included with the Staff Report and attached herein for reference purposes.

3. The Regional Council recognizes that SB 12 requires that the resolution regarding the adoption of the Final RHNA must show the following: (1) how the final plan is consistent with the objectives of the housing element law, as set forth in Government Code Section 65584(d), which are also referenced in SB 12; (2) how the plan is consistent with the pending update of the Regional Transportation Plan; and (3) how the plan takes into account the information provide to SCAG by its member jurisdictions and members of the public pursuant to the public workshop and delegation processes.

4. The Final RHNA is consistent with the following objectives, as set forth in more detail in Section 65584(d): (1) increasing the housing supply and the mix of housing types, tenure, and affordability; (2) promoting infill development and socioeconomic equity, protection of environmental and agricultural resources, and encouragement of efficient development patterns; (3) promoting an improve intraregional relationship between jobs and housing; and (4) balancing the distribution of households by income category. Specifically, the Regional Council finds and determines the total housing allocation of the Final RHNA is above the minimum end of the range established by HCD, which results in an increase in the housing supply. The Final RHNA is also rooted in the development of SCAG's regional Integrated Growth Forecast, which links housing with transportation planning to better address these objectives, including the promotion of infill development and efficient development patterns. The Regional Council also finds and determines that the Final Allocation Methodology addresses these objectives in that the methodology included consideration of the local planning factors set forth in Government Code Section 65884.04(d), also known as "AB 2158 planning factors." While the Integrated Growth Forecast addressed most of the AB 2158 planning factors, additional steps were taken to insure consideration of all of the factors. Notably, the CEHD Committee, with the approval of the Regional Council, established a RHNA Subcommittee comprised of elected officials to provide additional policy direction with respect to certain AB 2158 planning factors. This RHNA Subcommittee examined the factors of farm worker housing needs; loss of at-risk low-income units; housing costs; market demand; and the establishment of a "fair share distribution" to address the over-concentration of low-income housing in jurisdictions. Moreover, the Programs and Plans Technical Advisory Committee (TAC), comprised of staff from the various sub-regional organizations, provided input on how these factors would be addressed in the allocation methodology. The RHNA Subcommittee considered this input and made recommendations to the CEHD. The CEHD approved the recommendations in November 2006,

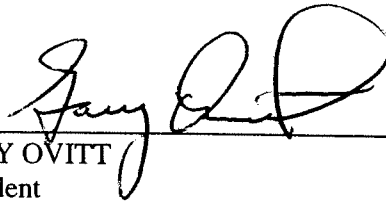
which were then incorporated as part of the Final Allocation Methodology. The Final Allocation Methodology includes among other things, a 110% Fair Share Distribution and a 3.5% ideal "healthy" market vacancy adjustment applied against future growth, except in impacted communities so as to balance the distribution of households by income category. The Final Allocation Methodology was approved and adopted by the Regional Council on February 1, 2007, and is the basis of the Final RHNA.

5. The Final RHNA is consistent with the pending update of the Regional Transportation Plan (RTP) in that the Final RHNA was developed concurrent with SCAG's development of the Integrated Growth Forecast. This Integrated Growth Forecast serves as the foundation of several of SCAG's regional planning efforts, including development of the RHNA and the pending update of the 2008 RTP. SCAG, in cooperation with the subregions, held 15 public workshops between October 30 and November 14, 2006 for local jurisdictions, members of the public, and others to seek input regarding development of the draft regional Integrated Growth Forecast, whereby input was gathered and used for development of the Draft RHNA for the shorter term planning period of 2006 to 2014 for RHNA purposes, and gathered and will be used for development of the 2008 RTP for the longer term planning period of 2035 for RTP purposes.

6. Finally, the Final RHNA takes into account the information provided by member jurisdictions and the public via the public workshop and delegation processes, in that the information received in the public workshops were reviewed and considered by SCAG as part of the development of the Integrated Growth Forecast, the Final Allocation Methodology, and the Draft RHNA. The input received was tracked and considered by SCAG staff and consultants, and incorporated, where deemed appropriate, in the Draft RHNA. The Regional Council adopted the Draft RHNA on February 1, 2007, and the housing allocations within the Draft Plan served as the basis for the revision requests and appeals filed by certain member jurisdictions. The Final RHNA also takes into account information submitted by the three subregional organizations which accepted and undertook delegation: namely, the Ventura County Council of Government, the South Bay Cities Council of Governments, and a subregional entity established for RHNA purposes by the cities of Los Angeles and San Fernando.

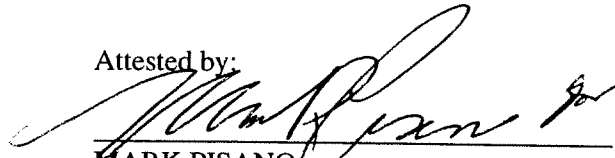
7. By adoption of the Final RHNA, the Regional Council directs staff to submit a copy of the Final RHNA, this resolution and other pertinent documentation to HCD for review and approval in accordance with state law.

APPROVED AND ADOPTED by the Regional Council of the Southern California Association of Governments at a regular meeting this 12th day of July, 2007.



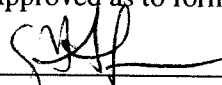
GARY OVITT
President
Supervisor, County of San Bernardino

Attested by:



MARK PISANO
Executive Director

Approved as to form:



JOANNA AFRICA
Interim Chief Counsel

SOUTHERN CALIFORNIA



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LJW

April 11, 2007

Legislative Counsel of California Diane F. Boyer-Vine
State Capitol Building, Room 3021
Sacramento, CA 95814

Secretary of the Senate Gregory Schmidt
State Capitol Building, Room 3044
Sacramento, CA 95814

Chief Clerk of the Assembly E. Dotson Wilson
State Capitol Building, Room 3196
Sacramento, CA 95814

RE: **PROGRESS REPORT ON HOUSING ALLOCATION PLAN**

Dear Legislative Counsel Boyer-Vine, Secretary of the Senate Schmidt and Chief Clerk Wilson:

Pursuant to Senate Bill 12, which was signed by Governor Schwarzenegger yesterday, the Southern California Association of Governments (SCAG) is submitting the enclosed report on SCAG's progress on completing the final need housing allocation plan.

Sincerely,

YVONNE B. BURKE

President

Supervisor, County of Los Angeles

enclosure

Regional Housing Needs Assessment
SB 12 Pilot Program Status Report
By the Southern California Association of Governments
Report to the California Legislature

The Southern California Association of Governments (SCAG) submits this progress reports relating to its efforts in preparing Regional Housing Needs Assessment (RHNA) pursuant to the provisions of Senate Bill 12 (SB 12), which was recently signed by the Governor on April 10, 2007. SCAG's Regional Council, on April 5, 2007, has reviewed and approved this report, and authorized its submittal to the California Legislature.

Adoption of Final Allocation Methodology and Approval of Draft RHNA

On February 1, 2007, SCAG's Regional Council approved an Existing Housing Needs Statement for the SCAG region, adopted the final allocation methodology and approved the Draft Housing Need Allocation Plan, or Draft RHNA, for the 2006 to 2014 planning period. The Draft RHNA proposed a total future construction need of 707,000 units and identified existing housing needs in all 187 cities and 6 counties in the region for the planning period. The determination of regional housing need is consistent with the statutory objectives of SB 12 and the SCAG Integrated Growth Forecast for transportation planning. In addition, the range of future housing need determined by the State Department of Housing and Urban Development (HCD) as the SCAG region's share of statewide housing need, as set forth in letter from HCD letter dated November 30, 2006, is 687,000 to 737,000 housing units for the 2006 to 2014 planning period. SCAG's Draft RHNA is within this range, and SCAG will maintain its regional total need throughout the RHNA process.

SCAG's adopted allocation methodology is consistent with the specified objectives in SB 12, and includes the incorporation of the AB 2158 factors such as "a determination of the

availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities." Each jurisdiction in the region has also received a share of future housing need including an allocation of housing units for low and very-low income households that promotes socio-economic equity within each county and across the region. This was achieved through a fair share policy adopted by SCAG's Regional Council which assigns a 110% adjustment of each local government's very-low, low, moderate and above-moderate income group allocations to the countywide income distribution based on the latest census information. This was supplemented by the Existing Housing Needs Statement providing each local government with information on households with housing problems, such as cost burden and overcrowding by income group and data on special housing needs related to the preservation of assisted housing at risk of conversion to market rate, and information on farm worker housing needs.

Development of the Draft RHNA

The existing and projected housing need for the region was based on SCAG's Integrated Growth Forecast and included the major forecast variables outlined in SB 12. In accordance with statutory requirements, this information was transmitted to HCD for their review and evaluation. Following consultation with SCAG, HCD issued a range of future construction need described above to be used in preparing the RHNA for this fourth revision cycle of housing elements in the SCAG region. Key actions and dates with respect to obtaining local input and review by the public leading up to the Draft RHNA included the following:

1. September 28, 2006: This was the date of the first RHNA public hearing whereby SCAG provided an overview of the Integrated Growth Forecast and the RHNA process;
2. September 2006 – February 2007: SCAG's Regional Council ratified the formation of a RHNA Subcommittee to consider and make policy recommendations relating to the Integrated Growth Forecast and the allocation

methodology. SCAG's Community, Economic and Human Development (CEHD) Committee and Regional Council considered and approved all policy recommendations by the RHNA Subcommittee, including the following:

- o Consideration of AB 2158 planning factors in determining and distributing future housing need;
 - o Fair Share and Social Equity Policy to avoid over concentration of households by income group, by way of a 10% of the way adjustment toward the county median income distribution and a 3.5% ideal "healthy" market vacancy adjustment applied against future growth except in impacted communities providing a disproportionately high share of lower income housing;
3. October – January 2007: SCAG staff completed 15 subregional workshops, one more than required under SB 12, regarding the Integrated Growth Forecast and RHNA process. These interactive workshops included a review of SCAG's preliminary forecast information, an exercise to gather information regarding local planning considerations on AB 2158 forms for use in determining housing need assignments and growth share between cities and unincorporated areas, and discussions relating to long range housing supply and growth test scenario going out to 2035.
- o AB 2158 planning factor forms were filled out by 91 cities and 4 counties during the 15 subregional workshops, while every jurisdiction received an advanced subregional workshop packet and maps prior to the scheduled session;
 - o 160 sets of comments were filed on the long range test scenario for 2035 growth and housing supply;
 - o Formal and informal Draft RHNA comments were received and reviewed, including 20 comments after the first public hearing, 78 letters and emails

received after subregional workshops and 35 comments submitted during the RHNA comment period at the end of each subregional workshop;

- o Follow-up meetings were held with 15 local subregions/jurisdictions subsequent to the subregional workshops.
4. January 11, 2007: SCAG conducted a second RHNA public hearing to receive comments regarding proposed allocation methodology, including consideration of the AB 2158 planning factors in determining the Draft RHNA.

As a result of subregional collaboration during the workshop process, the Final Allocation Methodology and Draft Housing Need Allocation Plan reflect the following requests from SCAG's subregional partners:

- o Incorporation of the Orange County projection (OCP 06) prepared by CSU-Fullerton Center for Demographic Research (CDR) for Orange County and all its local jurisdictions, adopted by Orange County Council of Governments (OCCOG) Board of Directors on November 30, 2006.
- o Incorporation of the Riverside County projections prepared by Riverside County Transportation and Land Management Agency, adopted by Western Riverside Council of Governments (WRCOG) Executive Committee on December 4, 2006, and by Coachella Valley Association of Governments (CVAG) Technical Planning Subcommittee on December 19, 2006.
- o Incorporation of the RHNA Plan for Ventura County, prepared jointly by county/city Planning Directors and City Managers, adopted by the Ventura County Council of Governments (VCOG) Board of Directors on January 9, 2007.
- o Incorporation of the collective input provided by the San Bernardino Associated Governments (SANBAG) regarding the county totals.

- Incorporation of the collective input provided and coordinated through the Imperial Valley Associated Governments (IVAG).
- Evaluation and incorporation, where appropriate, input received individually from local jurisdictions in Los Angeles County.

In mid-January, SCAG's forecasting staff and its consultant team reviewed the information/input received from the workshops and conducted the second Integrated Growth Forecast/RHNA hearing to discuss the proposed allocation methodology, and further facilitate public participation. Staff scheduled additional meetings with local jurisdictions to discuss their concerns. Before the release of the Draft RHNA, staff met individually with over 15 local jurisdictions and subregions to discuss any issues and concerns. Additionally, staff followed up with each of the 30 cities that did not participate in the subregional workshops, making personal phone calls and mailing a packet with all the information (e.g. presentations, data, maps, and relevant links) provided at the workshop.

A disc containing the Draft RHNA was mailed to every City Manager and County Administrative Officer in the SCAG Region. Letters were also sent in response to 68 local governments related to their comments on the proposed allocation methodology, the application of the AB 2158 planning factors and other planning considerations. The Regional Housing Needs Assessment web pages have also been overhauled to make them easier to navigate, while also highlighting important topics for local governments. <http://www.scag.ca.gov/Housing/rhna/index.htm>.

Revision Requests and Appeals relating to the Draft RHNA

The RHNA filing period for jurisdictions to submit revision requests and/or appeals with SCAG began on February 15, 2007 and ended on March 16, 2007. SCAG received 24 appeals, 5 revision requests and 19 combined appeal and revision requests. The Ventura County Council of Governments, the South Bay Cities Council of Governments and a

subregional entity comprising the cities of Los Angeles and San Fernando have accepted delegation and will be addressing any applicable revisions requests and appeals.

SCAG's Regional Council also established a RHNA Appeals Board to consider and make final decisions regarding the revision requests and appeals. All jurisdictions were sent a notification of public hearing dates and times. SCAG staff will provide recommendations to the Appeal Board, and hearings will be held between April 25th and 30th. On May 10, 2007, the RHNA Appeals Board will make final determinations on all revision requests and appeals and alternative distribution requests.

Using the RHNA Appeal Board's findings, SCAG will then begin preparing final RHNA allocation. The final RHNA shall also address any successful appeals which will trigger a proportional reallocation process based upon future construction need. This planning, public outreach and deliberative process follows the steps and requirements called for in SB 12. The Final RHNA shall be consistent with the Integrated Growth Forecast used for SCAG transportation planning and the regional total for construction need, by income category, shall be maintained within the State HCD approved range.

Next Steps

The SCAG Regional Council will consider a proposed final allocation plan at its June 7, 2007 meeting. On July 5th, SCAG will hold a public hearing to adopt the final housing need allocation plan. The following day, July 6, 2007, SCAG plans to submit its final housing need allocation plan to HCD. This will mark the end of SCAG's RHNA planning process for this cycle. A timeline illustrating SCAG's adoption schedule, which is consistent with the requirements of SB 12 legislation and existing housing law, is attached below.

SCAG RHNA Timeline: February 2007 – June 2008

Date	Action
February 1	CEHD and RC approves final integrated forecast with 4 variables and final RHNA methodology and adopts draft RHNA allocation plan.
February 15	Start of the 30-day period for local jurisdiction to request revision and/or to file appeal.
March 16	Last day for jurisdictions to request revision based on AB 2158 factors and/or file appeal based on AB 2158 factors, methodology, or changed circumstances.
March 26	Deadline for SCAG to notify jurisdictions of a public hearing for their appeal (within 10 days of end of filing period).
March 30	Submit status report to state pursuant to Pilot Program.
April 25 – 30	Public hearings before RHNA Appeals Board held for appealing jurisdictions, and possibly for jurisdictions requesting revision. The hearings will be held between the 30th and 35th days from the date of SCAG's notification.
May 10	End of the appeals process with decisions by Appeals Board rendered on all revision requests and appeals; staff to begin preparing final RHNA allocation. Alternative distribution and transfers may occur until SCAG adopts a final housing need allocation plan.

Date	Action
June 5	SCAG notifies jurisdictions 30 days in advance of the public hearing for the final adoption of the final RHNA allocation.
June 7	SCAG issues a proposed final allocation plan based on appeals and input received. This must occur within 45 days of the end of the appeals filing and hearing process, so the last day technically is June 18.
July 5	SCAG holds a public hearing to adopt the final housing need allocation plan. This must occur within 45 days of issuance of the proposed final allocation plan.
July 6	SCAG submits its final housing need allocation plan to HCD.
September 4	Deadline for final adoption of the Housing Allocation Plan by HCD.
June 30, 2008 (statutory)	Due date for jurisdictions in the SCAG Region to submit revised Housing Elements to HCD.

Senate Bill No. 12

CHAPTER 5

An act to amend Section 65584 of, and to add and repeal Section 65584.08 of, the Government Code, relating to housing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 10, 2007. Filed with
Secretary of State April 10, 2007.]

LEGISLATIVE COUNSEL'S DIGEST

SB 12, Lowenthal. Planning and zoning: housing element: Southern California Association of Governments.

(1) The Planning and Zoning Law requires a city or county general plan to include specified mandatory elements, including a housing element that identifies and analyzes existing and projected housing needs and includes a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing.

The Planning and Zoning Law requires each local government to review its housing element as frequently as appropriate to evaluate certain data, and establishes June 30, 2007, as the date of the 4th revision for the housing element of local governments within the jurisdiction of the Southern California Association of Governments.

The Planning and Zoning Law requires that, at least 2 years prior to a scheduled revision of a local government's housing element, each council of governments, or delegate subregion, as applicable, develop a proposed methodology for distributing the existing and projected regional housing need to cities, counties, and cities and counties within the region, or within the subregion, where applicable, pursuant to specified provisions. That law requires that the methodology be consistent with specified objectives that include, among other things, a determination of the availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities.

This bill, until January 1, 2015, would substantially revise the procedure for the Southern California Association of Governments, or delegate subregion, as applicable, to develop a final allocation plan for distributing the existing and projected regional housing need to cities and counties within the region or subregion.

(2) This bill would declare that it is to take effect immediately as an urgency statute.

The people of the State of California do enact as follows:

SECTION 1. Section 65584 of the Government Code is amended to read:

65584. (a) (1) For the fourth and subsequent revisions of the housing element pursuant to Section 65588, the department shall determine the existing and projected need for housing for each region pursuant to this article. For purposes of subdivision (a) of Section 65583, the share of a city or county of the regional housing need shall include that share of the housing need of persons at all income levels within the area significantly affected by the general plan of the city or county.

(2) While it is the intent of the Legislature that cities, counties, and cities and counties should undertake all necessary actions to encourage, promote, and facilitate the development of housing to accommodate the entire regional housing need, it is recognized, however, that future housing production may not equal the regional housing need established for planning purposes.

(b) The department, in consultation with each council of governments, shall determine each region's existing and projected housing need pursuant to Section 65584.01 at least two years prior to the scheduled revision required pursuant to Section 65588. The appropriate council of governments, or for cities and counties without a council of governments, the department, shall adopt a final regional housing need plan that allocates a share of the regional housing need to each city, county, or city and county at least one year prior to the scheduled revision for the region required by Section 65588. The allocation plan prepared by a council of governments shall be prepared pursuant to Sections 65584.04 and 65584.05 with the advice of the department.

(c) Notwithstanding any other provision of law, the due dates for the determinations of the department or for the council of governments, respectively, regarding the regional housing need may be extended by the department by not more than 60 days if the extension will enable access to more recent critical population or housing data from a pending or recent release of the United States Census Bureau or the Department of Finance. If the due date for the determination of the department or the council of governments is extended for this reason, the department shall extend the corresponding housing element revision deadline pursuant to Section 65588 by not more than 60 days.

(d) The regional housing needs allocation plan shall be consistent with all of the following objectives:

(1) Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low income households.

(2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, and the encouragement of efficient development patterns.

(3) Promoting an improved intraregional relationship between jobs and housing.

(4) Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent decennial United States census.

(e) For purposes of this section, "household income levels" are as determined by the department as of the most recent decennial census pursuant to the following code sections:

(1) Very low incomes as defined by Section 50105 of the Health and Safety Code.

(2) Lower incomes, as defined by Section 50079.5 of the Health and Safety Code.

(3) Moderate incomes, as defined by Section 50093 of the Health and Safety Code.

(4) Above moderate incomes are those exceeding the moderate-income level of Section 50093 of the Health and Safety Code.

(f) Notwithstanding any other provision of law, determinations made by the department, a council of governments, or a city or county pursuant to this section or Section 65584.01, 65584.02, 65584.03, 65584.04, 65584.05, 65584.06, 65584.07, or 65584.08 are exempt from the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

SEC. 2. Section 65584.08 is added to the Government Code, to read:

65584.08. (a) For the purposes of this section the "association" is the Southern California Association of Governments.

(b) For the fourth revision of the housing element pursuant to Section 65588 within the region of the association, the existing and projected need for housing for the region as a whole and each jurisdiction within the region shall be determined according to the provisions of this article except as those provisions are specifically modified by this section.

(c) The existing and projected housing need for the region shall be determined in the following manner:

(1) The association shall develop an integrated long-term growth forecast by five-year increments. The growth forecast is not a regional housing needs allocation plan.

(2) The forecast shall consist of the following three major variables by geographic area throughout the region:

(A) Population.

(B) Employment.

(C) Households.

(3) The association shall convert households into housing units using replacement rates from the Department of Finance, and county level vacancy rates, by weighing vacancy rates of for-sale and for-rent units.

(4) The association shall transmit the forecast to the department with the following variables:

- (A) Population.
- (B) Employment.
- (C) Households.
- (D) Housing units.
- (E) Household formation ratios.
- (F) Replacement rates.
- (G) Owner and renter vacancy rates.

(5) Upon receiving the forecast, the department shall determine the existing and projected housing need for the region in accordance with paragraph (2) of subdivision (c) of, and with subdivision (d) of, Section 65584.01.

(d) The association shall conduct a public workshop for the purpose of surveying its member jurisdictions pursuant to subdivision (b) of Section 65584.04. Not less than 30 days prior to the date of commencement of the public workshop, the association shall notify affected jurisdictions about the manner in which it proposes to consider the factors specified in subdivision (d) of Section 65584.04 in the housing allocation process. Local governments may submit information about the factors before the workshop for consideration by the association and incorporation into the discussion of the methodology at the workshop.

(e) The association shall delegate development of the housing need allocation plan to the subregional entities, if the association and the subregional entities agree in writing to that delegation and the association ensures that the total regional housing need, by income category, is maintained.

(f) The association shall conduct a minimum of 14 public workshops to discuss the regional growth forecast and the methodology, including the factors, by which housing needs are proposed to be allocated to subregions, or, in the absence of a subregion, to individual jurisdictions. The workshops shall also present opportunities for jurisdictions and members of the public or relevant stakeholders to provide information to the association on local conditions and factors. Following the workshops, and concurrent with the adoption of its draft housing allocation plan, the association shall describe the following:

(1) The manner in which the plan is consistent with the housing, employment, transportation, and environmental needs of the region.

(2) The manner in which the methodology that produced the plan complies with subdivision (e) of Section 65584.04.

(3) The manner in which the information received in the public workshops was considered in the methodology used to allocate the regional housing need.

(g) Following the adoption of the draft housing allocation plan, a local government may request from the association or the delegate subregion, as applicable, a revision of its share of the regional housing need in accordance with the factors described in subdivision (d) of Section 65584.04, including any information submitted by the local government pursuant to subdivision (d). The request for a revised share shall be based upon comparable data

available for all affected jurisdictions and accepted planning methodology, and shall be supported by adequate documentation. The association or delegate subregion, as applicable, shall establish a timeline for accepting and reviewing revision requests. However, revision requests shall not be accepted after the deadline for filing an appeal pursuant to subdivision (i). The association or delegate subregion shall respond to the request in writing no later than the close of the appeal process, and shall describe the rationale for its decision.

(h) Both the methodology and allocation process shall consider the factors listed under subdivision (d) of Section 65584.04 and promote the goals and objectives of subdivision (d) of Section 65584 and the regional transportation plan growth forecasting process to integrate housing planning with projected population growth and transportation. The association shall complete the final housing need allocation plan on or before June 30, 2007. It is the intent of the Legislature that the housing element update deadlines, as required under Section 65588, and as modified by the department under paragraph (2) of subdivision (a) of Section 65584.02, will not be extended. The association shall submit a report to the Legislature on or before March 30, 2007, describing the progress it has made in completing the final need allocation plan.

(i) A city or county may file one appeal of its draft allocation to the association, or a delegate subregion, pursuant to subdivision (e) of Section 65584.05, based upon any of the following criteria:

(1) The association or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (d), or a significant and unforeseen change in circumstances has occurred in the local jurisdiction that merits a revision of the information submitted pursuant to that subdivision.

(2) The association or delegate subregion, as applicable, failed to determine the local government's share of the regional housing need in accordance with the information described in, and the methodology established pursuant to subdivision (f).

(j) A city or county shall not be allowed to file more than one appeal under subdivision (i), and no appeals may be filed relating to any adjustments made pursuant to subdivision (g) of Section 65584.05.

(k) The final allocation plan shall be subject to the provisions of subdivision (h) of Section 65584.05.

(l) The final allocation plan adopted by the association shall ensure that the total regional housing need, by income category, as determined under subdivision (c), is maintained. The resolution adopted by the association approving the final housing need allocation plan shall show how the plan:

(1) Is consistent with the objectives of this section and article.

(2) Is consistent with the pending update of the regional transportation plan.

(3) Takes into account the information provided to the association by its member jurisdictions and members of the public pursuant to subdivisions (d) and (f).

(m) This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends that date.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to allow the Southern California Association of Governments, at the earliest possible time, to develop a final allocation plan for distributing the existing and projected regional housing need to cities and counties within its jurisdiction on or before the June 30, 2007, deadline imposed under existing law, it is necessary that this act take effect immediately.